

North America

December 22, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: NPRM, FCC 98-280
IB Docket No. 98-192
File No. 60-SAT-ISP-97
Direct Access to INTELSAT

Dear Ms. Salas:

GlobeCast North America Incorporated ("GlobeCast") hereby submits an original and eleven (11) copies of its Comments in the above-captioned Notice of Proposed Rulemaking ("NPRM") proceeding.

In summary, GlobeCast agrees with the Commission that Level 3 direct access is not inconsistent with the Satellite Act, and that the Commission has existing authority to implement contractual direct access. Also, direct access to INTELSAT for U.S. based services can only help reduce the cost of such services and provide incentives for U.S. based customers to seek capacity from INTELSAT for improved communications services. Direct access to INTELSAT will further increase competition in international telecommunications, as U.S. based service providers will be able to offer their services at more competitive rates.

Pleased contact the undersigned if there are any questions.

Very truly yours,

James T. Roche
(202) 530-8142

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**Before the
Federal Communications Commission
Washington, D.C. 20554**

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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

In the Matter of)	IB DOCKET NO. 98-192
)	File No. 60-SAT-ISP-97
Direct Access to the)	
INTELSAT System)	

To: The Commission

COMMENTS OF GLOBECAST NORTH AMERICA INCORPORATED

GlobeCast North America Incorporated ("GlobeCast") hereby offers its comments in response to the Commission's Notice of Proposed Rulemaking, FCC-98-280, in International Bureau Docket No. 98-192, looking at the issue of "Direct Access to the INTELSAT System" ("NPRM"). The Commission requests comment on issues related to permitting direct access to the INTELSAT system in the United States. This proceeding will explore the legal, economic, and policy ramifications of direct access (NPRM at para. 1).

GlobeCast is a U.S. based provider of communications and networking services for broadcast companies, television and radio programmers and other businesses located in the United States and overseas. In the conduct of its business, GlobeCast employs a variety of terrestrial and satellite-based transmission technologies, including both domestic and international satellite capacity. It currently leases two 36 MHZ equivalent transponders in the Pacific Ocean Region and more than ten 36 MHZ equivalent transponders in the Atlantic Ocean Region on a full-period basis from Comsat, and leases additional capacity from other domestic and international space segment providers.

Legal Discussion

The Commission tentatively concluded that the Communications Satellite Act of 1962, 47 U.S.C. Section 701 et seq., and the Communications Act of 1934, as amended, 47 U.S.C. Section 151 et seq., give discretion to the FCC to permit U.S. carriers and users the option of obtaining contractual, or Level 3, direct access to the INTELSAT system (NPRM at paras. 2 and 19). GlobeCast agrees that Level 3 (contractual) direct access is not inconsistent with the Satellite Act, and the FCC has the current authority to implement contractual direct access. GlobeCast asserts that the Commission has never ruled that there is a legal bar to direct access in the United States to INTELSAT space segment. At most, the FCC has made policy determinations, as to direct access, based on timing and other considerations.

GlobeCast agrees with other commenters in related proceedings that Comsat's exclusive participation in INTELSAT is limited to capital investment and governance (NPRM at para. 17). Many earth station operators in the United States have INTELSAT permission for direct operational access to INTELSAT satellites after applying for technical designation. There is nothing in the Satellite Act denying these earth station operators the same non-discriminatory and equitable access to INTELSAT space segment as the statute gives Comsat. If earth stations operators are to have nondiscriminatory and equitable access to the INTELSAT satellite system, then direct access or some form of alternate or competitive access is required. GlobeCast agrees with the Commission that the Satellite Act does not provide that customer/user access to the INTELSAT system must be through Comsat space segment (NPRM at para. 25). Comsat's role as an investor in INTELSAT, in itself, does not make Comsat the exclusive provider of U.S. access to the INTELSAT system.

Economic Discussion

All customers, whether direct access customer or Signatory, pay exactly the same amount to INTELSAT for satellite services. In some countries that offer direct access, customers may be offered levels of service appropriate for the kind of access such customers require; therefore, the relevant Signatory may add costs to requests for service provided by that Signatory to a direct access user with special needs. If the request for service is direct to INTELSAT, then the same rate applies either for the Signatory or the direct access customer; however, if the service request is through the Signatory, even if placed by a direct access customer, there may be a mark-up as to the space segment charges (NPRM at para. 51).

The Commission seeks comment on the possible impact of direct access on low volume users (NPRM at para. 52). Neither INTELSAT nor Comsat offer bulk rate discounts. Satellite service is provided on a non-discriminatory basis. GlobeCast asserts that Comsat's claim of harm to low volume users of INTELSAT from direct access is without merit.

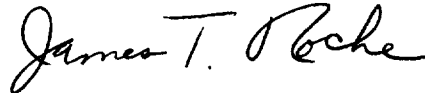
GlobeCast agrees that the Commission's allowing Level 3 direct access for specified services in non-competitive markets would provide competitive alternatives and consumer benefits that do not now exist (NPRM at para. 53). It stands to reason that direct access to INTELSAT for U.S. based services can only help reduce the cost of such services and provide incentives for U.S. based customers to seek capacity from INTELSAT for improved communications services. In addition, competition would be increased as existing Comsat competitors would have to adjust their rates in response to the possibility of better direct access rates from INTELSAT. Currently, the rates charged by Comsat's competitors are still too high. Such high rates are due to Comsat's

significant mark-up of INTELSAT capacity. Other international space segment suppliers do not deem it necessary to set their rates significantly below the rates of Comsat. This would surely change as a result of the Commission's allowing U.S. earth station operators to directly access INTELSAT capacity.

Direct access will give U.S. based customers reason to use the INTELSAT system rather than Teleglobe (NPRM at para. 55). The main reason U.S. based customers use Teleglobe is their disdain for Comsat; they just do not like doing business with Comsat. It is the very fact that U.S. based customers must acquire higher priced Comsat space segment that direct access or alternate access, like Teleglobe, is so attractive. Comsat's inflated pricing of INTELSAT space segment has encouraged use of alternative international satellites, fiber optic cable and Teleglobe. Direct access to INTELSAT will further increase competition in international telecommunications, as U.S. based service providers will be able to offer their services at more competitive rates.

WHEREFORE, GlobeCast North America Incorporated offers these comments regarding the subject Notice of Proposed Rulemaking.

Respectfully submitted,

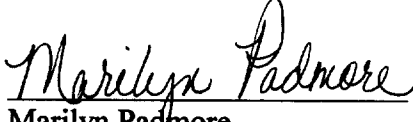
A handwritten signature in cursive script that reads "James T. Roche".

James T. Roche
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December 22, 1998

CERTIFICATE OF SERVICE

I, Marilyn Padmore, do hereby certify that copies of the foregoing Comments of GlobeCast North America Incorporated were Hand Delivered or sent by United States first-class mail, postage prepaid, on this the 22nd day of December, 1998 to the below listed parties


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